

Message Text

UNCLASSIFIED

PAGE 01 SEOUL 03736 190851Z

14

ACTION EB-07

INFO OCT-01 EA-09 IO-13 ISO-00 FEA-01 XMB-04 AGR-10 CEA-01

CIAE-00 DODE-00 FRB-01 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-02 AID-05 CIEP-02 SS-15 STR-04

ITC-01 TRSE-00 PRS-01 SP-02 OMB-01 NSCE-00 SSO-00

USIE-00 INRE-00 OES-06 /112 W
----- 077934

O R 190826Z MAY 76

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC IMMEDIATE 7212

USDOC WASHDC IMMEDIATE

INFO US DEL MTN GENEVA 358

US MISSION GENEVA

AMCONSUL HONG KONG

AMEMBASSY TOKYO

UNCLAS SEOUL 3736

COMMERCE OIM/BIC/SCHNEIDER

HONG KONG FOR REGFINATT

E.O. 11652: N/A

TAGS: ETRD, EIND, GATT, MTN, OVIP (ELLIOT RICHARDSON), KS, US

SUBJECT: FURTHER CHANGES IN IMPORT DEPOSITS TO DISCOURAGE USE
OF SHORT-TERM TRADE CREDITS

REF: SEOUL 3671

1. IN A FURTHER MODIFICATION OF THE IMPORT ADVANCE DEPOSIT
SYSTEM, THE ROKG HAS ANNOUNCED THE INTRODUCTION OF A FIVE
PERCENT IMPORT DEPOSIT REQUIREMENT FOR IMPORTS OF RAW MATER-
IALS FOR USE IN EXPORT PRODUCTION WHEN IMPORTED ON A USANCE
OR DOCUMENTS AGAINST ACCEPTANCE (D/A) BASIS. THERE PRE-
VIOUSLY WAS NO IMPORT DEPOSIT REQUIREMENT FOR THIS CATEGORY
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 SEOUL 03736 190851Z

OF IMPORTS. NO CHANGE WAS MADE IN THE CURRENT REQUIREMENT

FOR A TEN PERCENT DEPOSIT FOR IMPORTING THESE MATERIALS ON
A SIGHT L/C BASIS. DEPOSITS FOR IMPORTS OF RAW MATERIAL FOR

EXPORTS ARE RETURNED AT THE TIME OF SETTLEMENT.

2. AS IN THE CASE OF THE ELIMINATION OF THE AUTOMATIC RETENTION
PERIOD FOR IMPORT DEPOSITS INVOLVING SIGHT L/C IMPORTS OF MAJOR
RAW MATERIALS FOR DOMESTIC CONSUMPTION REPORTED REFTEL, THE
INTRODUCTION OF AN IMPORT DEPOSIT REQUIREMENT FOR IMPORTING RAW
MATERIALS FOR EXPORT USE ON A USANCE OR D/A BASIS IS INTENDED
TO DISCOURAGE USE OF SHORT-TERM TRADE CREDITS. IN ANNOUNCING
THIS CHANGE, THE ROKG POINTED OUT THAT OUTSTANDING SHORT-TERM
TRADE CREDITS TOTAL \$1,300 MILLION, INCLUDING AN INCREASE OF \$110
MILLION SINCE THE BEGINNING OF THE YEAR (THIS DEFINITION DOES
NOT INCLUDE BANK REFINANCING). INCREASES IN USE OF USANCE AND
D/A CREDITS FOR IMPORTS OF RAW MATERIALS FOR EXPORT HAVE
REPORTEDLY BEEN AVERAGING ABOUT \$27 MILLION A MONTH. WITH THE
MUCH IMPROVED TRADE RESULTS OF RECENT MONTHS, THE ROKG IS NOW
SEEKING TO STABILIZE AND POSSIBLY TO BEGIN TO CONTRACT ITS
NET SHORT-TERM DEBT LOAD.
SNEIDER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: IMPORT CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 MAY 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976SEOUL03736
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760193-0887
From: SEOUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760536/aaaabfbz.tel
Line Count: 82
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 SEOUL 3671
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 14 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 JUL 2004 by wolfsd>; APPROVED <19 JAN 2005 by CollinP0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FURTHER CHANGES IN IMPORT DEPOSITS TO DISCOURAGE USE OF SHORT-TERM TRADE CREDITS
TAGS: ETRD, EIND, OVIP, KS, US, GATT, MTN, (RICHARDSON, ELLIOT)
To: STATE
COM
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006